

## Message Text

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ACTION STR-05

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 STRE-00 AGRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01  
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01  
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 USIA-06  
PRS-01 SP-02 SOE-02 OMB-01 DOE-11 /123 W  
-----023691 282024Z /44

R 281617Z DEC 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 3643  
INFO ALL EC CAPITALS  
USMISSION GENEVA  
AMEMBASSY STOCKHOLM  
AMEMBASSY SEOUL  
AMEMBASSY TOKYO  
AMEMBASSY MADRID

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PASS TREASURY AND STR

USEEC ALSO FOR EMBASSY

E.O. 11652: N/A  
TAGS: ETRD, EIND, EC, FR  
SUBJ: GOF REACTION TO EC COUNCIL OF MINISTERS  
DECISION ON STEEL

REFS: A. BRUSSELS 18991; B. PARIS 37191

1. SUBSEQUENT TO MEETING WITH JACQUES FERRY,  
PRESIDENT OF EUROFER REPORTED REF B, EMBASSY OFFICERS  
CALLED ON JEAN-CLAUDE PREVEL, DIRECTOR OF MULTILATERAL  
AFFAIRS, DREE, ON DECEMBER 23, TO ELICIT FRENCH  
GOVERNMENT REACTION TO RESULTS EC COUNCIL OF MINISTERS  
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DISCUSSIONS ON STEEL DEC. 19-20.

2. PREVEL EXPRESSED BASIC GOF SATISFACTION WITH THE  
RESULTS. FROM ITS POINT OF VIEW, THE MOST IMPORTANT  
RESULT WAS INTERNAL EC REQUIREMENT FOR "CERTIFICAT  
D'ACCOMPAGNEMENT" REQUIRING INDICATION OF ORIGIN AND  
PRICE.

3. EXTERNALLY, PREVEL SAID THE COMPENSATORY DUTY SYSTEM WOULD CONTINUE AS LONG AS IT TOOK TO NEGOTIATE BILATERAL PRICE AND QUANTITY AGREEMENTS WITH NON-EC SUPPLIERS. HE DID NOT EXPECT THE NEGOTIATION OF THESE BILATERALS WOULD BE DIFFICULT. COMPENSATORY DUTIES LEVIED ON THE PRODUCTS OF INDIVIDUAL SUPPLIERS WOULD CEASE WHEN BILATERAL AGREEMENTS WITH THESE SUPPLIERS WERE REACHED. AS REPORTED REF B, DURING FERRY MEETING IT WAS INDICATED THAT THE SYSTEM WOULD BE IN PLACE SIX MONTHS RATHER THAN THREE MONTHS WITH AN APRIL 1 TERMINATION DATE AS REPORTED FROM BRUSSELS. EVIDENTLY THE FRENCH DO NOT UNDERSTAND THE APRIL 1 DATE TO BE BINDING.

4. REGARDING THE LEVEL OF REFERENCE PRICES UNDER THE EC SYSTEM, PREVEL SAID THEY WOULD BE APPROXIMATELY 8 PERCENT (5-10 PERCENT RANGE) BELOW DAVIGNON ORIENTATION PRICES. WHEN ASKED HOW THIS RELATED TO MOST EFFICIENT PRODUCER PRICES ON WHICH THE REFERENCE PRICES WERE SUPPOSED TO BE BASED, PREVEL HAD NO CLEAR ANSWER. AS THE 8 PERCENT FIGURE WAS ALSO MENTIONED DURING THE FERRY MEETING, IT APPEARS THE FRENCH BELIEVE THE SETTING OF REFERENCE PRICES WILL BE MADE ON POLITICAL RATHER THAN TECHNICAL, I.E. MOST EFFICIENT PRODUCER PRICE, GROUNDS. PREVEL EXPRESSED LIMITED OFFICIAL USE

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THE HOPE THAT THE EC REFERENCE PRICES AND THE SOLOMON PLAN TRIGGER PRICES WOULD BE FAIRLY COMPARABLE.  
HARTMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT REACTIONS, COMMITTEE MEETINGS, STEELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 28-Dec-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PARIS37721  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770483-1059  
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**Litigation History:**  
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**Message ID:** 01fb5dfc-c188-dd11-92da-001cc4696bcc  
**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BRUSSELS 18991, 77 PARIS 37191  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** GOF REACTION TO EC COUNCIL OF MINISTERS DECISION ON STEEL  
**TAGS:** ETRD, EIND, FR, EEC  
**To:** STATE USEEC  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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